

# Exhibit A



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

New Orleans Field Office  
Hale Boggs Federal Building  
500 Poydras Street, 9<sup>th</sup> Floor  
New Orleans, LA 70130-3099  
[www.hud.gov](http://www.hud.gov)

AUG 3 2017

Ms. Shelia Danzey  
Executive Director  
Housing Authority of Slidell  
1250 Martin Luther King Jr. Drive  
P. O. Box 1392  
Slidell, LA 70459

RE: Auto-Review of Available Operating Funds and Capital Funds  
in the Line of Credit Control System

Dear Ms. Danzey:

The Slidell Housing Authority (SHA) is being placed on auto-review in the Line of Credit Control System (LOCCS). This action is being taken due to the HUD's Compliance Review conducted June 26, 2017, the Independent Audit Report dated December 22, 2016, and the November 4, 2015 report from HUD's Quality Assurance Division (QAD). The reports revealed SHA have significant deficiencies and material weaknesses as it relates to internal control over financial reporting and major programs. Also, SHA is not following its procurement process or documenting the process. SHA's has failed to provide requested documents. As a result, in accordance with Title 24 Code of Federal Regulations (CFR) 200.338 *Remedies for noncompliance* and 24 CFR 200.207 *Specific conditions*, we have placed its Calendar Year (CY) 2016 Operating Fund for project number LA10300000116D and the remainder of CY 2015 Capital Funds (CFP) and CY 2016 CFP under a "zero" dollar threshold (Manual review). Your CY 2017 will be placed on auto-review also. Obligations and expenditures using its public housing project's Operating and CFP (including reserves) will require prior approval from our office. These conditions will be removed after SHA demonstrates it has implement appropriate corrective actions to correct the identified deficiencies, produces recommend improvements and demonstrated the deficiencies are either invalid or do not warrant action from SHA.

**Again, prior to usage of any funds at the agency including reserves, the SHA must receive prior authorization from our office before it will be allowed to implement procurement actions, obligate and drawdown/ expend funds from the LOCCS.** Please submit all requests via email, and please include a complete Obligation Submission Review Requirements (OSRR) checklist, including supporting documentation. Additionally, all LOCCS voucher requests must be accompanied with a complete Expenditure Submission Review Requirements (ESRR) checklist, including supporting documentation. The OSRR and ESRR checklists are enclosed with this letter.

If you have any questions, please contact Katherine T. Williams, Public Housing Revitalization Specialist, at (504) 671-3033.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl J. Williams", with a stylized flourish at the end.

Cheryl J. Williams  
Director  
Office of Public Housing

Enclosure

Cc  
Mayor Freddy Drennen  
SHA's Board of Commissioners